

EXHIBIT 3



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SMETHPORT: Unpaid workers, lawsuits trouble Lakeview nursing facility

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Lawsuits, Medicare inspection reports and allegations of unpaid employees are painting a troubling picture of Lakeview Healthcare, a nursing facility in Smethport.

Submitted photo by Jim Line

Lawsuits, Medicare inspection reports and allegations of unpaid employees are painting a troubling picture of Lakeview Healthcare, a nursing facility in Smethport.

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On Monday and Tuesday, several people had taken to social media to express that family members who work at Lakeview were not paid this past Friday.

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Lakeview submits invoices to parent company Bonamour, which is responsible for making all payments, including payroll, health insurance for employees and payment of all invoices, including for local services, according to an inspection report of the Centers for Medicare and Medicaid Services.

A class action lawsuit filed in Allegheny County Court in November alleged Bonamour collected employee contributions for health insurance, but failed to turn them over to the insurance provider, UPMC Health Plan. Subsequently, all of the employees — including the ones at Lakeview — were unknowingly without health insurance coverage for at least April, May and June 2023.

In the lawsuit, it was reported that one employee accrued almost \$30,000 in medical bills, relying on her promised healthcare coverage to pay them. Another had an organ transplant, without insurance coverage.

Representatives of Lakeview and Bonamour did not immediately return messages sent requesting comment.

Medicare inspection reports reveal more details about Bonamour allegedly failing to pay bills for Lakeview.

In a survey dated March 9, 2023, the inspector noted that, in an interview with the nursing home administrator, it was “revealed that (the) corporate office has not been paying the vendors used by the facility and that all due bills that are received by the facility are forwarded to the facility’s corporate office.”

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The inspector reviewed the accounts payable ledger, which showed that from July 10, 2002 — 12 days after Bonamour took over — through March 9, 2023, multiple vendors had submitted invoices, but hadn’t received payments. The total was \$276,747.98.

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For example, the inspector noted unpaid invoices from a vendor that supplied electric, sewage and water to the Lakeview facility. A bill of \$6,301.05 dated July 19, 2022, was unpaid. The inspector spoke to the vendor, who said they would work with the facility and would not shut off utilities.

A shut-off notice had been received from the gas company for unpaid bills, but was corrected in time, the inspector noted.

On May 24, the inspector noted several employees did not have current CPR certifications. The vendor who taught CPR and certified employees hadn't been paid his outstanding total of \$984.89, and stopped providing the service because Bonamour hadn't paid, the report noted.

The inspector reviewed the accounts payable ledger, and found "multiple outstanding payments due for a variety of other vendors" as well.

On Nov. 22, the inspector noted \$93,410.66 in outstanding payments to two vendors that provided agency nurse staffing to Lakeview, along with "multiple outstanding payments due for a variety of other vendors," the report read.

The facility has been in federal court both as a plaintiff and as a defendant, too.

A federal lawsuit was filed in June 2023 by Lakeview and five other healthcare-operating LLCs — Jefferson Hills in Clairton, Beaver in Aliquippa, Mulberry in Punxsutawney, Ridgeview in Curwensville and Scottsdale in Scottsdale — against former owner Guardian Healthcare OME Corp. and the elder care homes located at each address above.

The suit alleged that during the transfer of ownership, in violation of an Operations Transfer Agreement, Guardian failed to turn over \$784,899 in payment for services rendered by the new owners. Guardian also informed insurance companies not to process the claims of the new owners that were made after the sale had closed, interfering in their ability to do business.

The suit was settled for an undisclosed amount in January.

The second suit was filed in November 2023 by GLC On-The-Go Inc. against Bonamour, and two of its member companies, Lakeview and Mulberry Healthcare Operating LLC.

GLC is a medical staffing company, and alleged that Bonamour had not paid for \$189,533.81 in services provided to Lakeview in Smethport and to Mulberry in Punxsutawney.

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GLC had submitted invoices to Bonamour, but no invoices were paid, the suit alleged.

The parties in this suit reached an undisclosed settlement Feb. 20.

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